

GOVERNMENT OF ANDHRA PRADESH

Abstract

Infrastructure & Investment Department - Development of Greenfield airport at Bhogapuram in Vizianagaram District - Proposal for formation of an SPV named Bhogapuram International Airport Company Limited (BIACL) for speedy implementation of Bhogapuram Aerotropolis project - Orders - Issued.

INFRASTRUCTURE & INVESTMENT (AIRPORTS) DEPARTMENT

G.O.RT.No. 63

Dated.20.05.2015

Read the following:

1. Govt. Letter No.70/Airports/A2/2015, Dated.4.3.2015.
2. Lr.No.INCAP/P/Greenfield Airports-Bhogapuram/97/2015,
Dated.02.04.2015 received from the VC & MD, INCAP, Hyderabad.

ORDER:

In the reference 1st read above, Government have designated the Vice Chairman & Managing Director, Infrastructure Corporation of Andhra Pradesh Limited (INCAP) as project proponent for developing the four Greenfield Airports at Bhogapuram (Vizianagaram District), near Visakhapatnam, Kuppam (Chittoor District), Oravakallu (Kurnool District), Dagadarthi (Nellore District).

2. In the reference 2nd read above, the VC & MD, INCAP has informed that it is envisaged to develop modern Aviation infrastructure in the newly formed state of Andhra Pradesh and that development of Greenfield Aerotropolis with International airport, MRO facilities and Aviation academy at Bhogapuram in Vizianagaram District near Visakhapatnam is planned as part of this initiative. He has also informed that INCAP had submitted documents to the Ministry of Civil Aviation (MoCA) with a request to communicate the site clearance for development of the Greenfield International airport in Bhogapuram in Vizianagaram district at the earliest and the site clearance is yet to be accorded by the MoCA.

3. The VC & MD, INCAP has requested for formation of Special Purpose Vehicle (SPV) to expedite project related approvals/Clearances and obtain land for project purposes. The proposal includes creation of a new company in the name of Bhogapuram International Airport Company Limited (BIACL) under the Companies Act, 2013, which will be responsible for speedy implementation of Bhogapuram Airport and will be 100% owned by Government of Andhra Pradesh (GoAP).

4. In the reference 2nd read above, the VC & MD, INCAP has informed that once the preparatory phase and the bidding process is completed, the SPV can be transferred through divesting majority stake to successful bidder/consortium for project implementation and Government may retain minority stake through equity (equivalent of land cost or other means) along with other Government entities like Airports Authority of India (AAI) etc., as deemed fit at that time. The authorized share capital of the company is proposed to be INR 5,00,00,000 (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lakhs Only) equity shares of INR 10 (Rupees 10 only) each.

Contd., 2 P

5. The proposed Bhogapuram International Airport Company Limited (BIACL) is responsible for carrying out various activities prior to commencement of actual field work by a successful bidder/consortium. Key activities to be pursued by BIACL are as follows -

- a) To undertake preparation of Feasibility Report, Detailed Project Report, Environment Impact Assessment Report etc. to assess the Technical feasibility and financial viability of the Project.
- b) Getting clearances/approvals from various Government departments/agencies required to start an airport, such as site clearances, environmental clearances, Ministry of Defence (MoD) approval and DGCA clearance etc.
- c) Structure the Project for implementation through PPP, based on independent market and technical/ financial studies.
- d) To facilitate competitive and transparent bidding through preparation of bid document (RFQ and RFP), bids evaluation and award of the Project.

6. The day to day administration and discharge of the assigned duties of the SPV is to be done through a Chief Executive Officer to be appointed by Government of Andhra Pradesh and other supporting staff on need basis.

7. After careful examination, Government hereby issue the following orders on development of the Greenfield airport at Bhogapuram in Vizianagaram District,

i. An SPV named Bhogapuram International Airport Company Ltd., (BIACL) under Companies Act 2013, which shall be 100% owned by Government of Andhra Pradesh is formed for speedy implementation of Bhogapuram Aerotropolis Project comprising International Airport, Maintenance, Repair and Overhaul (MRO) facility and an Aviation Academy.

ii. The authorized share capital of the SPV company shall be Rs.5,00,00,000/- (Rupees Five Crores only), divided into Rs.50,00,000/- (Rupees Fifty Lakhs only) equity shares of Rs.10/- each.

iii. A Board of Directors of the SPV is constituted with the following members.

- a) Secretary, Energy, Infrastructure & Investment Department, Government of Andhra Pradesh
- b) Principal Secretary, Transport Roads and Buildings Department, Government of Andhra Pradesh
- c) Principal Secretary, Revenue (Assignment) Department, Government of Andhra Pradesh
- d) Secretary, Finance Department, Government of Andhra Pradesh
- e) Vice Chairman & Managing Director, INCAP
- f) VC&MD, Andhra Pradesh Industrial Infrastructure Corporation (APIIC)
- g) District Collector, Vizianagaram.

8. The Vice Chairman & Managing Director, INCAP shall take further action.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
SECRETARY TO GOVERNMENT

To
The Vice Chairman & Managing Director,
Infrastructure Corporation of Andhra Pradesh, Hyderabad.

The all the Directors of the Board,
The Accountant General, Andhra Pradesh, Hyderabad.

Copy to:

The Principal Secretary to Chief Minister,
The Finance Department,
The Law Department,
PS to Secretary to Government, I&I Department.

//Forwarded::By Order//

SECTION OFFICER